The Honorable Marc L. Barreca
Chapter 7
Hearing Location: Courtroom 7106, Seattle
Hearing Date: January 4, 2013
Hearing Time: 9:30 a.m
Response Date: December 28, 2012

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In Re: ADAM R. GROSSMAN Debtor.	Chapter 7 No. 10-19817 TRUSTEE'S JOINDER AND RESPONSE TO SECOND INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR ATTORNEY FOR TRUSTEE

COMES NOW Ronald G. Brown, Chapter 7 Trustee, and joins in the Second Interim Fee Application for compensation and reimbursement of expenses for Wood & Jones, P.S., attorneys for the trustee, as follows:

1. This case has been complex and the attorneys have spent considerable effort in investigation and contested matters to generate funds for the bankruptcy estate. However, there are not sufficient funds at this time in the bankruptcy estate to pay the full amount of any administrative claims which may be approved by the court.

2. Attached as an exhibit to this response is a record of estate receipts and disbursements. The estate is holding about $17,550, subject to continuing bank charges, of which $15,000 represents holdback funds required by the court's prior order on January 6, 2012, as amended December 21, 2012. Wood & Jones, P.S. has previously been paid $30,984.33 in Chapter 7 fees and $1,517.22 in Chapter 7 costs, of which $44,764.35 is unpaid based upon the Chapter 7 fees and costs stated in the December 21, 2012 order. Counsel has not been paid for its Chapter 11 administrative claims.

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3. The Chapter 7 trustee and his accountant, Bruce Devereaux, P.S., have not yet submitted fee applications to the court. Both the trustee and his counsel have been involved, in addition to liquidation of estate assets, in matters that have been troublesome and time-consuming. There is a Chapter 11 trustee claim, prior to the conversion of the case to Chapter 7, which has not been presented to the court.

4. The Chapter 7 trustee is in the process of closing the sale on the Metro Way real property in Redding, California, which depending upon secured claims, likely will yield around $25,000 to the bankruptcy estate. The tax consequences of the sale are under investigation.

5. Separately, the Chapter 7 trustee is in the process of selling the real property in Cottonwood, California, which appears to be unencumbered and might yield as much as $200,000 to the bankruptcy estate, depending upon the tax consequences of the sale. The trustee has been advised that sale of both the Metro Way and Cottonwood properties might result in some federal and state taxes that will need to be paid by the bankruptcy estate.

6. Still unresolved is disposition of issues on the Montcrest property in Redding, California. The trustee is continuing to evaluate matters after the court's prior ruling denying a proposed settlement.

7. An order denying certain claims was entered on September 20, 2012. The court has not yet had an opportunity to determine other claims that were not determined in that court order.

8. The trustee joins in requesting approval of the application, but respectfully proposes that the court (1) limit disbursement of any fees and reimbursement of costs to a specific sum at this time, (2) retain a continuing holdback of funds, estimated in the sum of at least $25,000 for other Chapter 7 administrative claims and taxes as the real properties are sold, and (3) allow additional payment upon further determination of creditor claims and as funds may become available to the estate.

DATED this 28th day of December, 2012.

/s/ *Ronald G. Brown*
Ronald G. Brown, WSBA #8816
Chapter 7 Trustee

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